

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF INDIANA
INDIANAPOLIS DIVISION**

In Re:	Chapter 11
USA GYMNASTICS,	Case No. 18-09108-RLM-11
Debtor.	

**COMBINED SPECIALTY'S RESPONSE TO JOINT MOTION REQUESTING
THE COURT TO CONDUCT A SETTLEMENT CONFERENCE
AND FOR OTHER RELIEF**

Virginia Surety Insurance Company, Inc., formerly known as Combined Specialty Insurance Company, responds to the Joint Motion Requesting the Court to Conduct a Settlement Conference and For Other Relief as follows.

Whether one agrees or disagrees with the District Court's opinion in *ARAC Roof It Forward v. Nationwide Mut. Ins. Co. of America*, 2019 U.S. Dist. LEXIS 94077, the undisputed fact is that the Magistrate Judge's subject order in that case was issued by the judicial officer who had been personally involved in and presided over the prior settlement negotiations. Here, in contrast, this motion is based solely on patently inaccurate allegations of an interested party in the mediation privileged-protected negotiations that are at issue.

The people who attended the mediations on behalf of Combined Specialty were senior claims executives who had full authority to settle the claims against USAG. Those executives exercised full authority and responsibility for the claims at issue against USAG, USOPC and the other additional insureds seeking coverage under the Combined Specialty Policies.

In order to avoid violating the mediation privilege, Combined Specialty will not be drawn into discussing what, to its knowledge, in fact took place in the most recent mediation sessions.

We can state unequivocally that Combined Specialty approached and participated in those sessions in good faith. The mediators who presided over the mediations sessions never suggested otherwise. Therefore, there is no basis to support the unorthodox request that the CEO responsible for the Combined Specialty policies at issue, is a necessary participant or would add anything to the settlement process.

That said, Combined Specialty has no objection to this Court participating in future settlement talks in this case. Such involvement, though, may preclude the Court's involvement in certain other contested matters in the case such as disputed coverage issues in this case.

Dated: August 21, 2020

Respectfully Submitted,

/s/ James P. Moloy

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CERTIFICATE OF SERVICE

I hereby certify that on the 24th day of August, 2020, a copy of the foregoing was filed electronically. Notice of this filing will be sent to the following parties through the Court's Electronic Case Filing System. Parties may access this filing through the Court's system.

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